

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6963**

**BILL NUMBER:** HB 1367

**NOTE PREPARED:** Jan 15, 2008

**BILL AMENDED:**

**SUBJECT:** Reclassification of Manufactured Homes as Real Property.

**FIRST AUTHOR:** Rep. Murphy

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that manufactured homes are real property for purposes of property tax assessment. It changes the current property tax definition of "mobile home" to "manufactured home".

The bill repeals the requirement for obtaining a certificate of title for a manufactured home from the Bureau of Motor Vehicles. It requires evidence of ownership of a manufactured home to be obtained and recorded with the county recorder in the county in which the manufactured home is located. The bill also provides that for a security interest in a manufactured home to be perfected, the secured party must record the interest on the evidence of ownership form for the manufactured home in the county in which the manufactured home is located. It repeals the affidavit of transfer to real estate.

The bill makes conforming changes.

**Effective Date:** July 1, 2008; July 1, 2009.

**Explanation of State Expenditures:** The bill could reduce the expenses of the Bureau of Motor Vehicles (BMV) from not having to issue certificates of title for manufactured homes. The savings are probably minor.

**Explanation of State Revenues:** The state could have a reduction in revenue since the mobile home owner would no longer title the mobile home with the state. Currently, a mobile home can either be titled by the BMV or the county recorder. The impact would depend on the number of mobile homes titled by the BMV. The BMV collects \$15 for each mobile home titled. The decrease in revenue would probably be minor.

**Explanation of Local Expenditures:** The county recorder could have an increase in expense due to the recording of title for manufactured homes. The increase in cost is probably minor.

**Explanation of Local Revenues:** There could be an increase in revenue for the county for deeds for mobile homes at the county recorder instead of the BMV. The fee for a deed is about \$16. The increase in revenue would probably be minor.

The bill defines manufactured homes as real property. Under current statute, some manufactured homes and mobile homes are counted as real property and some as personal property. Mobile homes currently have an assessment date of January 15. The bill would set the assessment date as of March 1, the same as real property and personal property.

Under current law, the manufactured homes are eligible for the same deductions as real property except the total of the deduction is limited to  $\frac{1}{2}$  of the AV. The bill would repeal the limit. The impact would depend on the number of manufactured homes with deductions at the  $\frac{1}{2}$  of AV limit and the property tax controls on the local funds. If the fund is subject to property tax levy controls, then there is a possible shift from the manufactured homeowner to other property taxpayers. If the fund is subject to a property tax rate control then the fund could receive less revenue due to the reduction in AV.

**State Agencies Affected:** BMV.

**Local Agencies Affected:** County Recorder, All.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825